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IN RE PT GARUDAFOOD PUTRA PUTRI JAYA TBK

HIGH COURT MALAYA, KUALA LUMPUR
LIM CHONG FONG J
[ORIGINATING SUMMONS NO: WA-24IP-30-12-2018]
7 FEBRUARY 2019

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INTELLECTUAL PROPERTY: *Trade description – False trade description – Entitlement to seek protection – Ex parte application for – Infringement of identical mark – Whether court could grant declaratory order of false trade description – Genuine products carrying mark brought in through unauthorised parallel importation – Whether trade mark infringement – Whether registered trade mark owner has legal right to take legal action against parallel importers – Whether infringing products from their packaging consists of false trade description – Whether reputation and goodwill of applicant at stake – Trade Descriptions Act 2011, ss. 8(3), 9(1)*

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The applicant, a private limited company registered in Indonesia, was well known for its production of snacks, particularly 'GERY' crackers. The applicant was the registered, beneficial and/or common law owner of the following trade mark 'GERY' ('registered mark'). The applicant began producing and manufacturing for sale in Malaysia the applicant's crackers. However, the applicant's products meant for export and sale in the Malaysian market which used and incorporated the 'GERY' mark were different from the applicant's products that also used and incorporated the 'GERY' mark meant for the Indonesian market. The applicant had expended substantial time and costs to customise the applicant's products for the Malaysian market including costs in advertising and promotion. The applicant accordingly maintained strict controls distribution in the Malaysian market and the applicant did not, at all material times, consent whatsoever for any party including its exclusive Malaysian distributor to distribute or sell the applicant's products made for the Indonesian market in Malaysia. Subsequently, the applicant discovered that the applicant's products which carried the 'GERY' mark meant for the Indonesian market had been imported and/or distributed and/or sold or offered for sale in Malaysia for consumers in Malaysia which were not authorised, permitted, consented or licensed by the applicant. Thus, the applicant filed this *ex parte* originating summons ('application') under ss. 5, 6, 7, 8 and 9 of the Trade Descriptions Act 2011. The applicant principally contended that it was entitled to seek for protection under the Trade Descriptions Act 2011 in respect of unauthorised parallel importing into Malaysia its 'GERY' products that carried its registered mark meant for distribution and sale only in the Indonesian market.

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Held (allowing application):

(1) The Trade Descriptions Act 2011, by virtue of s. 8(3), presumes that the infringer indulges in false trade description if the infringing trade mark is identical to the registered trade mark unless the contrary is proved by the infringer. However, by virtue of s. 9(1), it is necessary for the aggrieved party to apply to court for a declaration that the infringer indulges in false trade description if the infringing trade mark is not identical but can be passed off as the registered trade mark. Therefore, there has to be a false trade description either pursuant to s. 8(3) or s. 9(1) of the Trade Descriptions Act 2011 before the Ministry of Domestic Trade and Consumer Affairs ('Ministry') would take enforcement action against the infringer pursuant to s. 8(2) of the same Act. (paras 18 & 19)

(2) The court is empowered, if so moved, under s. 9(1) of the Trade Descriptions Act 2011 to grant a declaratory order of false trade description where the infringing trade mark is not only that resemble and can be passed off as the registered trade mark but also those identical with the registered trade mark. There is the option open to the aggrieved party to resort to either s. 8(3) or s. 9(1) of the Trade Descriptions Act 2011 in the instance of infringement of an identical mark. Herein, there has been an infringement of the registered mark by importers of the products that carry the 'GERY' mark manufactured specially for the Indonesian market. These infringing products were conceded by the applicant as not counterfeit products but the products of the applicant brought into Malaysia through unauthorised parallel importation. (paras 23 & 24)

(3) It was still a trade mark infringement notwithstanding that genuine products which carried the mark were brought in through unauthorised parallel importation. The registered trade mark owner has the legal right to take legal action against the parallel importers and those connected with them for trade mark infringement. It was particularly pertinent here because the products involved were confectionary foodstuff. There was hence the need to ensure that these products met the necessary Malaysian quality standard and Ministry of Health requirements to protect consumers. These standards and requirements may not be the same both in Malaysia and Indonesia. (para 26)

(4) These infringing products may pose a health and safety risk to the Malaysian consumers. Moreover, the freshness of these imported infringing products was also of concern by reason that these products may be expired products in the Indonesian market. Public interest as well as the reputation and goodwill of the applicant were at stake here.

A That aside, the parallel importation of these products was also an unfair business competition to the applicant and its authorised exclusive Malaysian distributor. In the upshot, this court held that the infringing products from their packaging consisted of false trade description upon the applicant's products that were produced in Malaysia which carried
B the registered mark. (paras 26 & 28)

Case(s) referred to:

Co-operative Central Bank Bhd v. Belaka Suria Sdn Bhd [1991] 3 CLJ 2131; [1991] 2 CLJ (Rep) 453 HC ***(refd)***

Crystal Triumph Sdn Bhd [2018] 1 LNS 1959 HC ***(refd)***

C *LB (Lian Bee) Confectionery Sdn Bhd v. QAF Ltd [2012] 3 CLJ 661 FC* ***(refd)***

Majuperak Tepung Beras Sdn Bhd v. Tiga Gajah Cho Heng Sdn Bhd [2001] 3 CLJ 241 CA ***(foll)***

Planete Enfants Sdn Bhd v. Goh San Hwa & Another Case [2014] 1 LNS 1535 HC ***(refd)***

Planete Enfants Sdn Bhd v. Goh San Hwa & Another Appeal [2015] 1 LNS 1497 CA ***(refd)***

D *Shannon Realties v. Ville de St Michael [1924] AC 185* ***(refd)***

Tan Kim Hock Product Centre Sdn Bhd & Anor v. Tan Kim Hock Tong Seng Food Industry Sdn Bhd [2018] 2 CLJ 567 FC ***(refd)***

Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344 SC ***(refd)***

E **Legislation referred to:**

Interpretation Acts 1948 and 1967, s. 40

Trade Descriptions Act 2011, ss. 5, 6, 7, 8(2), (3), 9(1)

Trade Descriptions Act 1972 (since repealed), s. 16

Trade Marks Act 1976, s. 38

For the applicant - Bahari Yeow; M/s Lee Hishammuddin Allen & Gledhill

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Reported by Suhainah Wahiduddin

JUDGMENT

Lim Chong Fong J:

G **Introduction**

[1] This is another application for declarations pursuant to the Trade Descriptions Act 2011 that came before me after *Crystal Triumph Sdn Bhd* [2018] 1 LNS 1959; [2018] MLJU 1846.

H **[2]** The applicant here is a private limited company registered in the Republic of Indonesia involved in the business of producing, manufacturing and selling biscuits, snacks, confectionery and dairy products. It is especially well known for its crackers particularly "GERY" crackers with various flavours including but not limited to chocolate, cheese, coconut and matcha latte.

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[3] The applicant is the registered, beneficial and/or common law owner of the following trade mark:

bearing trade mark registration no. 2018000229 in Class 30 in Malaysia pursuant to the Trade Marks Act 1976 ("registered mark").

Background Facts

[4] The applicant commenced producing, manufacturing and selling its "Gery" crackers products in Indonesia since 2012 starting with the chocolate flavour followed by the cheese flavour in 2015 and the coconut flavour in 2016 and finally the matcha latte flavour in 2018.

[5] By reason of rising consumer interest in the applicant's crackers, the applicant began producing and manufacturing for sale in Malaysia specifically starting with the cheese and chocolate flavours.

[6] However, the applicant's products meant for export and sale in the Malaysian market which used and incorporated the "Gery" mark are different from the applicant's products that also used and incorporated the "Gery" mark meant for the Indonesian market.

[7] In this connection, the applicant had expended substantial time and cost to customise the applicant's products for the Malaysian market including costs in advertising and promotion.

[8] For purposes of preserving its Malaysian market, the applicant maintained a different and certain standard of quality to ensure that the Malaysian consumers only enjoy the unaffected taste profile of the applicant's products meant for them. Hence the applicant does not distribute the applicant's products meant for the Indonesian market in Malaysia and conversely those meant for the Malaysian market are not sold in Indonesia.

[9] The applicant accordingly maintained strict controls distribution in the Malaysian market and the applicant does not at all material times give consent whatsoever for any party including its exclusive Malaysian distributor to distribute or sell the applicant's products made for the Indonesian market in Malaysia.

[10] The applicant has recently discovered that the applicant's products which carry the "Gery" mark meant for the Indonesian market have been imported and/or distributed and/or sold or offered for sale in Malaysia for consumers in Malaysia which were not authorised, permitted, consented or licensed by the applicant. The tabulation of comparison between the applicant's authorised Malaysian products and the unauthorised products as discovered by the applicant are as follows:

No.	Applicant's Products (made and meant for the Malaysian market)	Infringing Products (made and meant for the Indonesian market)
1.		
	– The semi-transparent packaging of the Applicant's Products is different from the Infringing Products. – The Applicant's Products include the following words "Cheese Crackers" whereas the Infringing Products use "Saluut MALKIST" on its packaging. – The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products. – The presence of the Halal stamp on the Applicant's Products but is absent from the Infringing Products. – The image of the cheese crackers on the Applicant's Products is different from the Infringing Products. – The production date and expiry date is mentioned on the Applicant's Products but they are missing from the Infringing Products. – The font used for the batch number of the Applicant's Products is different from the Infringing Products. – The batch number is placed at different positions of the packaging of the Applicant's Products and Infringing Products respectively.	

2.		

– The semi-transparent packaging of the Applicant's Products is different from the Infringing Products.

– The Applicant's Products include the following words "Cheese Crackers" whereas the Infringing Products use "Saluut MALKIST" on its packaging.

– The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products.

– The image of the cheese crackers on the Applicant's Products is different from the Infringing Products.

– The images of the Eiffel Tower and the Arc de Triomphe are more visible and prominent in the Applicant's Products as compared to the Infringing Products.

– The presence of the sticker which provides details of the importer on the Infringing Products but is absent from the Applicant's Products.

3.		

– The semi-transparent packaging of the Applicant's Products is different from the Infringing Products.

– The Applicant's Products include the following words "Cheese Crackers" whereas the Infringing Products use "Saluut MALKIST" on its packaging.

– The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products.

– The image of the cheese crackers on the Applicant's Products is different from the Infringing Products.

– The images of the Eiffel Tower and the Arc de Triomphe are more visible and prominent in the Applicant's Products as compared to the Infringing Products.

4.		

– The semi-transparent packaging of he Applicant's Products is different from the Infringing Products.

– It is apparent that there are 5 individual packets in the Applicant's Products as compared to the Infringing Products.

– The Applicant's Products include the following words "Cheese Crackers" whereas the Infringing Products use "HAPPY MANCAAP" on its packaging.

– The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products.

5.		

– The semi-transparent packaging of the Applicant's Products is different from the Infringing Products.

– It is apparent that there are 5 individual packets in the Applicant's Products as compared to the Infringing Products.

– The Applicant's Products include the following words "Cheese Crackers" whereas the Infringing Products use "HAPPY MANCAAP" on its packaging.

– The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products.

6.		

– The semi-transparent packaging of the Applicant's Products is different from the Infringing Products.

– The barcode on the Applicant's Products is placed at the bottom right of its packaging whereas the barcode on the Infringing Products is placed at the middle of its packaging, on the left side.

– The Infringing Products have included information on Customer Service on its packaging but it is absent from the Applicant's Products.

– The fonts including its size and colour that was used on the information listed on the packaging of the Applicant's Products are different from the Infringing Products.

7.		

– The packaging of the Applicant's Products is different from the Infringing Products.

– The Applicant's Products include the following words "Cheese Crackers" whereas the Infringing Products use "Saluut MALKIST" on its packaging.

– The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products.

– The image of the cheese crackers on the Applicant's Products is different from the Infringing Products.

– There is an image of the Eiffel Tower and the Arc de Triompheon the Infringing Products but is not visible on the Applicant's Products.

– There is an image of cheese with the words 'Real Cheese' below it and also an image of grain with the words 'Selected Wheat' below it that is not visible on the Infringing Products.

8.		

– The packaging of the Applicant's Products is different from the Infringing Products.

– The Applicant's Products include the following words "Cheese Crackers" whereas the Infringing Products uses "Saluut MALKIST" on its packaging.

– The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products.

– The fonts including its size and colour that was used on the information listed on the packaging of the Applicant's Products are different from the Infringing Products.

– The presence of the sticker which provides details of the importer on the Infringing Products but is absent from the Applicant's Products.

9.		
	– The semi-transparent packaging of the Applicant's Products is different from the Infringing Products. – The colour scheme in relation to both the packaging for the Applicant's Products and the Infringing Products are different. The Applicant's Products use the colours brown and gold as part of its colour scheme whereas in contrast, the Infringing Products use the colours brown, gold and orange as part of its colour scheme. – The Applicant's Products include the following words "Dark Choco Crackers" whereas the Infringing Products use "Saluut MALKIST" on its packaging. – The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products.	

10.		

– The semi-transparent packaging of the Applicant's Products is different from the Infringing Products.

– The colour scheme in relation to both the packaging for the Applicant's Products and the Infringing Products are different. The Applicant's Products use the colours brown and gold as part of its colour scheme whereas in contrast, the Infringing Products use the colours brown, gold and orange as part of its colour scheme.

– The Applicant's Products include the following words "Dark Choco Crackers" whereas the Infringing Products use "Saluut MALKIST" on its packaging.

– The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products.

– The presence of the sticker which provides details of the importer on the Infringing Products but is absent from the Applicant's Products.

11.		

– The semi-transparent packaging of the Applicant's Products is different from the Infringing Products.

– The colour scheme in relation to both the packaging for the Applicant's Products and the Infringing Products are different. The Applicant's Products use the colours brown and gold as part of its colour scheme whereas in contrast the Infringing Products use the colours brown, gold and orange as part of its colour scheme.

– The Applicant's Products include the following words "Dark Choco Crackers" whereas the Infringing Products use "Saluut MALKIST" on its packaging.

– The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products.

12.		

– The semi-transparent packaging of the Applicant's Products is different from the Infringing Products.

– There are 5 individual packets in the Applicant's Products as compared to the Infringing Products.

– The Applicant's Products include the following words "Dark Choco Crackers" whereas the Infringing Products use "HAPPY MANCAAP" on its packaging.

– The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products.

13.	
– The semi-transparent packaging of the Applicant's Products is different from the Infringing Products. – There are 5 individual packets in the Applicant's Products as compared to the Infringing Products. – The Applicant's Products include the following words "Dark Choco Crackers" whereas the Infringing Products use "HAPPY MANCAAP" on its packaging. – The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products.	

14.		

– The semi-transparent packaging of the Applicant's Products is different from the Infringing Products.

– The barcode on the Applicant's Products is placed at the right side of its packaging whereas the barcode on the Infringing Products is placed at the left side of its packaging.

– The Infringing Products have included information on Customer Service on its packaging but it is absent from the Applicant's Products.

15.		
	– The packaging of the Applicant's Products is different from the Infringing Products. – The Applicant's Products include the following words "Choco Crackers" whereas the Infringing Products use "Saluut MALKIST" on its packaging. – The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products. – The colour scheme in relation to both the packaging for the Applicant's Products and the Infringing Products are different. The Infringing Products use the colours brown and gold as part of its colour scheme whereas in contrast the Applicant's Products use the colours brown, gold and orange as part of its colour scheme. – The presence of the sticker which provides details of the importer on the Infringing Products but is absent from the Applicant's Products. – The production date and expiry date is mentioned on the Applicant's Products but they are missing from the Infringing Products.	

16.		
– The packaging of the Applicant's Products is different from the Infringing Products. – The Applicant's Products include the following words "Choco Crackers" whereas the Infringing Products use "Saluut MALKIST" on its packaging. – The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products. – The Infringing Products have included information on Customer Service on its packaging but it is absent from the Applicant's Products.		

17.		
– The semi-transparent packaging of the Applicant's Products is different from the Infringing Products. – The Applicant's Products include the following words "Coconut Crackers" whereas the Infringing Products use "Saluut MALKIST" on its packaging. – The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products. – The presence of the Halal stamp on the Applicant's Products but is absent from the Infringing Products.		
18.		
– The semi-transparent packaging of the Applicant's Products is different from the Infringing Products. – The Applicant's Products include the following words "Coconut Crackers" whereas the Infringing Products use "Saluut MALKIST" on its packaging. – The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products. – The image of the coconut crackers on the Infringing Products is not visible on the Applicant's Products. – The logo 'wonderful Indonesia' is visible on the Applicant's Products but not visible on the Infringing Products.		

19.		

– The semi-transparent packaging of the Applicant's Products is different from the Infringing Products.

– The Applicant's Products include the following words "Coconut Crackers" whereas the Infringing Products use "Saluut MALKIST" on its packaging.

– The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products.

– The image of the coconut crackers on the Infringing Products is not visible on the Applicant's Products.

– The logo 'wonderful Indonesia' is visible on the Applicant's Products but not visible on the Infringing Products.

20.		

- The semi-transparent packaging of the Applicant's Products is different from the Infringing Products.
- It is apparent that there are 5 individual packets in the Applicant's Products as compared to the Infringing Products.
- The Applicant's Products include the following words "Coconut Crackers" whereas the Infringing Products use "HAPPY MANCAAP" on its packaging.
- The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products.

21.		

– The semi-transparent packaging of the Applicant's Products is different from the Infringing Products.

– It is apparent that there are 5 individual packets in the Applicant's Products as compared to the Infringing Products.

– The Applicant's Products include the following words "Coconut Crackers" whereas the Infringing Products use "HAPPY MANCAAP" on its packaging.

– The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products.

22.		

- The semi-transparent packaging of the Applicant's Products is different from the Infringing Products.
- The barcode on the Applicant's Products is placed at the top right of its packaging whereas the barcode on the Infringing Products is placed at the middle of its packaging, on the left side.
- The Infringing Products have included information on Customer Service on its packaging but it is absent from the Applicant's Products.
- The fonts including its size and colour that was used on the information listed on the packaging of the Applicant's Products are different from the Infringing Products.
- The presence of the sticker which provides details of the importer on the Infringing Products but is absent from the Applicant's Products.

23.		
– The packaging of the Applicant's Products is different from the Infringing Products. – The Applicant's Products include the following words "Coconut Crackers" whereas the Infringing Products uses "Saluut MALKIST" on its packaging. – The fonts used for the abovementioned words are different for both the Applicant's Products and the Infringing Products.		
24.		
– The packaging of the Applicant's Products is different from the Infringing Products. – The presence of the sticker which provides details of the importer on the Infringing Products but is absent from the Applicant's Products. – The Infringing Products have included information on Customer Service on its packaging but it is absent from the Applicant's Products. – The fonts including its size and colour that was used on the information listed on the packaging of the Applicant's Products are different from the Infringing Products.		

A **[11]** As the result, the applicant on 14 December 2018 filed this *ex parte* originating summons ("application") which is supported by the affidavit of I Made Astawa affirmed on 6 December 2018. The applicant prayed for the following order pursuant to ss. 5, 6, 7, 8 and 9 of the Trade Descriptions Act 2011:

B (i) mark or get-ups of as set out in Schedule "1" annexed to the originating summons;

(a) used in relations to "chocolate, biscuits/cookies, bread, candy, flour-based snack food and/or wafer" registered under the mark

C (Registration No. 2018000229) for goods in Class 30 (as set out in Schedule "2" annexed to this originating summons) (referred to as the "registered mark"); and/or

D (b) which may be passed off as the registered mark is declared as false trade descriptions for the purposes of the Trade Descriptions Act 2011; and

(ii) marks or get-ups of (as set out in Schedule "1"

E and Schedule "3" annexed to the originating summons), used in relation to goods under the registered mark, and may be passed off as the registered mark is declared as false trade description for the purposes of the Trade Descriptions Act 2011;

(iii) costs; and

F (iv) such further orders and/or relief as this honourable court deems fit and appropriate.

[12] The application came up for hearing before me on 28 January 2019. After having read the cause papers and hearing counsel, I gave an order in terms of the application but with no order as to costs.

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[13] I now furnish below the grounds of my decision.

Contentions And Findings

[14] The applicant principally contended that it is entitled to seek for protection under the Trade Descriptions Act 2011 in respect of unauthorised parallel importing into Malaysia its "Gery" products that carried its registered mark meant for distribution and sale only in the Indonesian market.

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[15] In this respect, it is apt that I reproduce ss. 8 and 9 of the Trade Descriptions Act 2011 that read as follows:

8. Prohibition of false trade description in relation to trademark

(1) Notwithstanding sections 5 and 6, a trade description shall include an indication, whether direct or indirect, and by any means given, in respect of any goods or parts of goods relating to any rights in respect of trade mark registered under the Trade Marks Act 1976.

(2) Any person who:

(a) applies a false trade description to any goods as if the goods were subject to any rights relating to registered trade mark;

(b) supplies or offers to supply any goods to which a false trade description is applied as if the goods were subject to any rights relating to registered trade mark; or

(c) exposes for supply or has in his possession, custody or control for supply any goods to which a false trade description is applied, commits an offence and shall, on conviction, be liable:

(A) if that person is a body corporate, to a fine not exceeding fifteen thousand ringgit for each goods bearing the false trade description, and for a second or subsequent offence, to a fine not exceeding thirty thousand ringgit for each goods bearing the false trade description; or

(B) if that person is not a body corporate, to a fine not exceeding ten thousand ringgit for each goods bearing the false trade description or to imprisonment for a term not exceeding three years or to both, and for a second or subsequent offence, to a fine not exceeding twenty thousand ringgit for each goods bearing the false trade description, or to imprisonment for a term not exceeding five years or to both.

(3) Any person who applies, supplies or offers to supply, exposes for supply or has in his possession, custody or control for supply any goods bearing an identical mark with the registered trade mark without the consent of the registered owner of the trade mark is deemed to apply, supply or offer to supply goods bearing false trade description unless the contrary is proved.

9. Trade description order

(1) Where any person being a registered owner of a registered trade mark under the Trade Marks Act 1976 claim that his rights in respect of such trade mark are being infringed in the course of trade, by any other mark or get-up used by any other person, which is not identical with his registered trade mark but can be passed off as his registered trade mark, he may apply to the High court to declare that the infringing mark is a false trade description for the purpose of section 8.

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(2) For the purpose of subsection (1), the person referred to in subsection (1) in making the application shall identify specifically the infringing trade or other mark or get-up and the High Court may, on the application of such person, make an order declaring that the infringing trade or other mark or get-up is for the purposes of this Act, a false trade description in its application to such goods as may be specified in the order.

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(3) An order of the High Court made under this section may be referred to as a trade description order.

(4) A subsisting trade description order made by any High Court in Malaysia shall be admissible in evidence in any proceedings under section 8 in which it is relevant as conclusive proof of a false trade description.

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(5) A trade description order shall expire at the end of one year from the date on which it is made unless it is renewed by the High Court upon such terms and for such further period as the High Court may decide on the application of the person referred to in subsection (1) or his successor-in-title.

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(6) Any person who obtains a trade description order under this section shall register the trade description order with the Registrar.

[16] This application just as in *Crystal Triumph Sdn Bhd (supra)* has been made *ex parte* and this is perfectly in order as held in and for the reasons set out in the Federal Court case of *Tan Kim Hock Product Centre Sdn Bhd & Anor v. Tan Kim Hock Tong Seng Food Industry Sdn Bhd* [2018] 2 CLJ 567; [2018] 2 MLJ 1.

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[17] I appreciate that Mr Bahari Yeow, of counsel for the applicant was candid in pointing out that there is presently some uncertainty as to whether a trade description order can be issued pursuant to s. 9(1) of the Trade Descriptions Act 2011 in respect of infringement of an identical mark as in the case herein as opposed to that which is not identical but could be passed off as the registered mark. He referred to the predecessor Trade Descriptions Act 1972 which plainly permitted a trade description order to be issued for both the aforesaid scenarios. In this respect, s. 16 of the Trade Descriptions Act 1972 reads as follows:

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16. Trade mark infringement and passing off action

(1) Where any person being a proprietor or registered user of a registered trade mark within the meaning of any written law relating to trade marks or being otherwise entitled at law to the protection of a trade or other mark or a get-up for any goods or services established -

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(a) in the case of a registered trade mark, that his rights in respect of such trade mark are being infringed in the course of trade within the meaning of the written law; or

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(b) in the case of a trade or other mark or get-up for any goods or services, that his rights in respect of such trade or other mark or get-up are being infringed in the course of trade as a result of which he has a right of action for passing off, the High Court may on the application of such person make an order declaring that the infringing trade or other mark or get-up as the case may be is for purposes of this Act a false trade description in its application to such goods as may be specified in the order.

(2) An order of the High Court made under this section may be referred to as a trade description order.

(3) A subsisting trade description order made by any High Court in Malaysia shall be admissible in evidence in any proceedings under this Act in which it is relevant as conclusive proof of a false trade description.

(4) A trade description order shall expire at the end of five years from the date on which it is made unless it is renewed by the High Court upon such terms and for such further period of time as the High Court may decide on the application of the person referred to in subsection (1) or his successor in title.

(5) The Minister shall cause a public register of trade description orders to be established and maintained.

and was held applicable to the infringement of an identical mark in the Federal Court case of *LB (Lian Bee) Confectionery Sdn Bhd v. QAF Ltd* [2012] 3 CLJ 661.

[18] The current Trade Descriptions Act 2011 by virtue of s. 8(3) presumes that the infringer indulges in false trade description if the infringing trade mark is identical to the registered trade mark unless the contrary is proved by the infringer. However, by virtue of s. 9(1), it is necessary for the aggrieved party to apply to court for a declaration that the infringer indulges in false trade description if the infringing trade mark is not identical but can be passed off at the registered trade mark.

[19] There has to be therefore a false trade description either pursuant to s. 8(3) or s. 9(1) of the Trade Descriptions Act 2011 before the Ministry of Domestic Trade and Consumer Affairs ("Ministry") would take enforcement action against the infringer pursuant to s. 8(2) of the same Act. The practical difference between ss. 8(3) and 9(1) is that the former permits the Ministry to take action without the necessity of a court declaratory order unlike the latter. The object is to make it convenient and quicker for the aggrieved party to directly refer to the Ministry for action to be taken if there has been infringement of an identical mark. I am however made to understand that it has been instead often difficult to get the Ministry to act in the instance of infringement of an identical mark without a court declaratory order.

[20] The uncertainty posed before me is therefore whether a court declaratory order can be sought even if the infringing trade mark is an identical mark that is governed by s. 8(3) of Trade Descriptions Act 2011 without the need of the involvement of the court.

[21] In the English House of Lord's case of *Shannon Realties v. Ville de St Michael* [1924] AC 185, Lord Shaw held as follows:

> Where the words of a statute are clear, they must of course, be followed, but in their Lordships' opinion where alternative constructions are equally open, that alternative is to be chosen which will be consistent with the smooth working of the system which the statutes purport to be regulating and that alternative to be rejected which will introduce uncertainty, friction or confusion into the working of the system.

This case has been followed in *Co-operative Central Bank Bhd v. Belaka Suria Sdn Bhd* [1991] 3 CLJ 2131; [1991] 2 CLJ (Rep) 453; [1991] 3 MLJ 43.

[22] In addition, there is also s. 40 of the Interpretation Acts 1948 and 1967 (consolidated 1989) on implied powers which reads as follows:

> **40. Implied powers**
>
> (1) Where a written law confers a power on any person to do or enforce the doing of any act or thing, all such powers shall be understood to be also given as are reasonably necessary to enable the person to do or enforce the doing of the act or thing.
>
> (2) Without prejudice to the generality of subsection (1):
>
> (a) power to make subsidiary legislation to control or regulate any matter includes power to provide for the same by licensing and power to prohibit acts whereby the control or regulation might be evaded;
>
> (b) power to grant a licence, permit, authority, approval or exemption includes power to impose conditions subject to which the licence, permit, authority, approval or exemption is granted; and
>
> (c) where a power is conferred on any person to direct, order or require any act or thing to be done, there shall be deemed to be imposed on any person to whom a direction, order or requisition is given in pursuance of the power a duty to comply therewith.

[23] Premised on the above, I am of the view that the court is also empowered if so moved under s. 9(1) of the Trade Descriptions Act 2011 to grant a declaratory order of false trade description where the infringing trade mark is not only that resemble and can be passed off as the registered trade mark but also those identical with the registered trade mark. Accordingly and in other words, there is the option open to the aggrieved party to resort to either s. 8(3) or s. 9(1) of the Trade Descriptions Act 2011 in the instance of infringement of an identical mark.

[24] Moving on and after reviewing the affidavit evidence adduced by the applicant, I am satisfied that there has been infringement of the registered mark by importers of the products that carry the "Gery" mark manufactured specially for the Indonesian market. These infringing products are hence as conceded by the applicant not counterfeit products but the products of the applicant brought into Malaysia through unauthorised parallel importation.

[25] It is plainly provided in s. 38 of the Trade Marks Act 1976 as applied in by the Supreme Court in *Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd* [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344 that a registered trade mark is infringed by a person who uses a mark which is identical to it.

[26] Furthermore, I have held as follows in *Planete Enfants Sdn Bhd v. Goh San Hwa & Another Case* [2014] 1 LNS 1535; [2016] 3 MLRH 570:

> 68. In *Tien Ying Hong Enterprise Sdn Bhd v. Beenion Sdn Bhd* [2011] 2 CLJ 469; [2010] 8 MLJ 550, Azahar Mohamed J (as he then was) elaborated at p. 555-556 as follows:
>
> > [12] Generally speaking, parallel imports refer to goods, which are lawfully manufactured overseas but imported and distributed in Malaysia by a person other than the registered proprietor of the trademark. Parallel imports benefit consumers as the goods may be sold at lower prices in the domestic market due, for examples, to fluctuations in currencies, market strategy, trade policy and distribution costs. Parallel imports are sometime referred to as 'grey market' goods because even though they are legitimately manufactured and marketed abroad, problems time and again crop up, such as the case at hand, whether the goods may be legitimately imported and distributed in Malaysia.
> >
> > [13] Here I will mention one point. It is important to distinguish between parallel imports and 'pirated' goods; the former are legitimately manufactured genuine goods whilst the latter are imitation or counterfeit goods. In this context, it goes without saying that our laws prohibit the importation or dealing with counterfeit or 'pirated' goods.
> >
> > [14] On the other hand, it seems to me that our laws do not expressly forbid the importation of parallel goods into Malaysia; it is a lawful international business. Nevertheless, there is this very important qualification to be made. Not all parallel imports are permitted under the Act for the reason that by virtue of s. 35 of the Act the registered proprietor of the trademark has the exclusive right to the use of the trademark in relation to those goods.
>
> 69. It can therefore be discerned that parallel importation is not forbidden by written laws though there may in certain circumstances be trademark infringement that attracts penalties and remedies pursuant to the Trade Marks Act 1976. There are also other written laws such as s. 32 Industrial

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> Designs Act 1996, s. 58 Patents Act 1983, s. 36(2) Copyright Act 1987 that curtailed parallel importing in those specific instances. In other words, I hold that parallel importing of goods is generally permissible unless otherwise regulated by written laws as aforesaid or restricted by way of contractual relations.

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This decision has been affirmed by the Court of Appeal in *Planete Enfants Sdn Bhd v. Goh San Hwa & Another Appeal* [2015] 1 LNS 1497; [2017] 1 MLJ 802. Thus it is still a trade mark infringement notwithstanding that genuine products which carry the mark are brought in through unauthorised parallel importation. The registered trade mark owner has the legal right to take legal action against the parallel importers and those connected with them for trade mark infringement. It is particularly pertinent here because the products involved are confectionery foodstuff. There is hence the need to ensure that these products meet the necessary Malaysian quality standard and Ministry of Health requirements to protect consumers. These standards and requirements may not be the same both in Malaysia and Indonesia. As the result, these infringing products may pose a health and safety risk to the Malaysian consumers. Moreover, the freshness of these imported infringing products is also of concern by reason that these products may be expired products in the Indonesian market. Public interest as well as the reputation and goodwill of the applicant are at stake here. That aside, the parallel importation of these products is also an unfair business competition to the applicant and its authorised exclusive Malaysian distributor.

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[27] Since this an *ex parte* application and following the Court of Appeal case of *Majuperak Tepung Beras Sdn Bhd v. Tiga Gajah Cho Heng Sdn Bhd* [2001] 3 CLJ 241; [2001] 3 MLJ 508, I must ensure due identification of the infringing trade mark with sufficient precision. I am so satisfied after scrutinising the tabulation of comparison adduced by the applicant.

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[28] In the upshot, I find and hold that the infringing products from their packaging consist of false trade description upon the applicant's products that are produced in Malaysia which carry the registered mark.

G

Conclusion

[29] It is for the foregoing reasons that I allowed the application as so ordered.

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